



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 6, 2000

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director

THRU: Wayne Hedberg, Permit Supervisor

FROM: Anthony A. Gallegos, Senior Reclamation Specialist

RE: Request for Approval of Form and Amount of Reclamation Surety, Summo USA Corporation - Lisbon Valley Mining Company LLC, Lisbon Valley Copper Project, M/037/088 (UTU-72499, ML-20569), San Juan County, Utah

On March 20, 2000, the Division received an amendment from Summo proposing additional exploration work within the approved large mine permit boundary for the Lisbon Valley Project. This amendment describes exploration drilling which would disturb an additional 2.30 acres on State managed land only. The Division currently holds a joint surety bond for the current site disturbances. We have determined this amendment to be technically complete. We have also determined that the amount of reclamation surety will need to be increased by \$18,500 for this proposal.

Summo has provided the Division with a revised Reclamation Contract and surety bond rider which increases the surety amount by \$20,000. The revised Reclamation Contract describes the amended project area and new surety total of \$97,166 escalated to year 2005. Summo had the rider issued for an amount in excess of the projected reclamation cost to expedite the process of revising the surety.

On March 20, 2000, the School and Institutional Trust Lands Administration sent a letter to Summo approving of this amendment subject to Summo's satisfying the reclamation bonding requirements determined by the Division (copy attached). The Division's legal counsel has given his acceptance to proceed with approval of the revised bonding documents.

If you are in agreement with the Division accepting this revised surety bond and Reclamation Contract please sign and date the contract on the appropriate page. Thank you for your time in reviewing this request.

LOB  
77

jb

attachments: SITLA 3/20/00 letter

MR-RC & surety

O:\REVIEW\M37-88e3dir.mem



# State of Utah

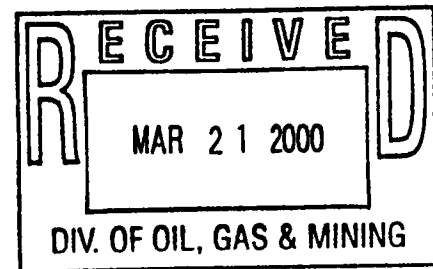
School and Institutional  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

876 East 600 South, Suite 500  
Salt Lake City, Utah 84102 2818  
801-530 5100  
801-355-0822 (Fax)  
<http://www.trustlands.com>

AAG's copy



March 20, 2000

Gochmour & Associates, Inc.  
5231 South Quebec  
Greenwood Village, CO 80111

Attn: Mr. Lee (Pat) Gochmour

Re: Lisbon Valley Mining Co. LLC. (Summon USA Corporation - Operator) Notice of Intent to Commence Mineral Exploration (Drilling) - Spring (April/May) 2000, Lisbon Valley Project. Section 36, T. 30 S., R. 25 E. SLB&M.  
Lease, ML 20569, DOGM project M/037/088

Dear Mr. Gochmour:

On March 15, 2000, the School and Institutional Trust Lands Administration ("Trust Lands Administration") received a copy of the notice of intent ("NOI") to commence mineral exploration (Drilling) - Spring (April/May) 2000, Lisbon Valley Project, dated March 14, 2000. As with previous exploration drilling this project will be considered an amendment to the large mine notice within the boundary of the large mine plan for the Lisbon Valley Copper Project.

The March 14, 2000, NOI proposes 51 drill sites each of which encompassing an area of approximately 640 sq. ft. totaling 32,640 sq. ft. or .75 acres. Access to fifteen (15) of the proposed drill sites will be via existing trails and roads. Access to seven (7) sites will require 1040 linear feet of overland tracking with no blade construction (1040' X 16" width = 16,640 sq. ft. or .382 acres). Twenty-nine (29) sites will require 3,160 linear feet of blade work to brush cut an access route (3,160 X 16 = 50,560 sq. ft. of 1.16 acres). Total project impact including site preparation and site access will be approximately 2.30 acres.

Bonding for existing disturbances within the boundaries of the large mine plan is held by the Division of Oil, Gas and Mining ("DOGM"). It is the understanding of the Trust Lands Administration that DOGM will determine appropriate additional reclamation bonding for the proposed exploration drilling and an amended reclamation contract will be acknowledged by DOGM and the Operator.

The proposed exploration drilling project lies entirely within the boundaries of the Lisbon Valley Copper Project as identified in the U.S. Department of the Interior, Final Environmental Impact Statement, dated February, 1997. The Final Environmental Impact Statement includes the results of the cultural resource surveys conducted on the entire project area, therefore no additional cultural resource survey will be required. Should the proposed exploration project encounter

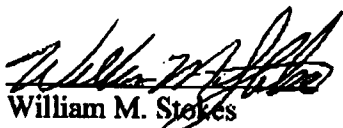
previously unidentified archeological, historical, or paleontological remains you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

Upon completion of your mining operation all surface disturbances resulting from your operations on the leased lands will be fully reclaimed to the satisfaction of the Trust Lands Administration and in compliance with the State of Utah Mined Land Reclamation Act.

Your notice of March 14, 2000, satisfies the requirements of the School and Institutional Trust Lands Administration and upon satisfaction of the bonding requirements, as determined by the Division of Oil, Gas and Mining, Lisbon Valley Mining Co. LLC (Summo USA Corporation) may commence with proposed exploration drilling project.

If you have any question please feel free to call.

Sincerely,



William M. Stokes  
Minerals Resource Specialist

cc: Tony Gallegos, DOGM

Mr. Robert A Prescott  
Summo USA Corporation  
P.O. Box 847  
Moab, Utah 84532



File Number M/037/088

Effective Date April 7, 2000

Other Agency File Number SITCA-ML 20569  
BLM-UTU-72499

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

*Replaced  
Contract 10/10/2000  
& winner -  
original  
returned  
8/29/02*

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**RECLAMATION CONTRACT**

---ooOoo---

DIVISION OF  
OIL, GAS AND MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

M/037/088

Copper

"MINE LOCATION":  
(Name of Mine)  
(Description)

Lisbon Valley Copper Project  
18 miles south of La Sal, Utah  
San Juan County

"DISTURBED AREA":  
(Disturbed Acres)  
(Legal Description)

6.72 total (increase of 2.3 acres)

(refer to Attachment "A")

"OPERATOR":  
(Company or Name)  
(Address)

Summo USA Corporation

Lisbon Valley Mining Co. LLC

by: Summo USA Corporation - Manager

Denver Center Bldg., Suite 900

1776 Lincoln Street

Denver, CO 80203

(Phone)

303-861-5400

APR 04 2000

**"OPERATOR'S REGISTERED AGENT":**

(Name)  
(Address)

(Phone)

**DIVISION OF  
OIL, GAS AND MINING**

CT Corporation  
50 West Broadway  
8th Floor  
Salt Lake City, Utah 84104  
801-531-7090

**"OPERATOR'S OFFICER(S)":**

Greg Hahn - President  
Robert Prescott - Vice President  
James Frank - V.P. Finance & CFO

**"SURETY":**

(Form of Surety - Attachment B)

Surety Bond - w/Rider

**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

United States Fidelity and  
Guaranty Co.

**"SURETY AMOUNT":**

(Escalated Dollars)

\* \$97,066 (increase of \$20,000)

**"ESCALATION YEAR":**

2005

**"STATE":**

**"DIVISION":**

**"BOARD":**

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

**ATTACHMENTS:**

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Lisbon Valley Mining Co. LLC & Summo USA Corp. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/088 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated August 8, 1995, and the original Reclamation Plan dated August 8, 1995. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

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DIVISION OF

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Lisbon Valley Mining Co. LLC  
by: Summo USA Corporation - Manager

Operator Name

By James D. Frank

Authorized Officer (Typed or Printed)

Vice President - Finance & CFO

Authorized Officer - Position

X

James D. Frank  
Officer's Signature

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DIVISION OF  
OIL, GAS AND MINING

X

4/3/00  
Date

STATE OF Colorado

COUNTY OF Denver

) ss:  
)

On the 3rd day of April, 19 2000, personally  
appeared before me James D. Frank who being by  
me duly sworn did say that he/she, the said James D. Frank  
is the Vice President & CFO of Summo USA Corp. - Manager of Lisbon  
and duly acknowledged that said instrument was signed on behalf of said company Valley Mining  
by authority of its bylaws or a resolution of its board of directors and said  
James D. Frank duly acknowledged to me that said  
company executed the same.

Michelle Hebert

Notary Public

Residing at: Lakewood, Colorado

My Commission Expires: March 18, 2003



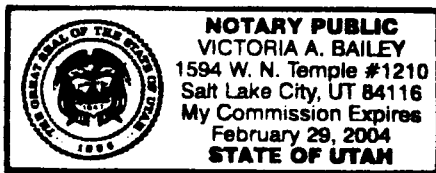
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton  
Lowell P. Braxton, Director

Date 4/7/00

STATE OF Utah  
COUNTY OF Salt Lake ) ss:

On the 7<sup>th</sup> day of April, 19 2000,  
personally appeared before me Lowell P. Braxton, who being  
duly sworn did say that he/~~she~~, the said Lowell P. Braxton  
is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources,  
State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing  
document by authority of law on behalf of the State of Utah.



Victoria A. Bailey  
Notary Public  
Residing at: Salt Lake City, Utah

February 29, 2004  
My Commission Expires:

**ATTACHMENT "A"**

<u>Lisbon Valley Mining Co. LLC</u> <u>by: Summo USA Corporation - Manager</u>	<u>Lisbon Valley Copper Project</u>
<u>Operator</u>	<u>Mine Name</u>
<u>M/037/088</u>	<u>San Juan</u> <u>County, Utah</u>
<u>Permit Number</u>	

**The legal description of lands to be disturbed is:**

Approximately 2.57 acres from exploration drilling and monitoring wells located within:

Township 30 South, Range 25 East  
SE 1/4 and SW 1/4, Section 25  
NE 1/4, Section 26  
NE 1/4, Section 35  
NW 1/4, Section 36

Township 31 South, Range 26 East  
NE 1/4, Section 5

Township 31, South, Range 25 East  
NE 1/4, Section 1

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DIVISION OF  
OIL, GAS AND MINING

As described in the 1/19/99 "Well Locations" map.

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As amended to include approximately 1.02 acres from exploration drilling within:

Township 30 South, Range 25 East  
NW 1/4 NW 1/4, Section 36  
NE 1/4 NE 1/4, Section 35

As described in the August 12, 1999 "Attachment 1" map.

-----

As amended to include approximately 0.825 acres from exploration drilling within:

Township 30 South, Range 25 East  
NW 1/4 and NE 1/4, Section 36

As described in the December 20, 1999 "Attachment 1" map.

ATTACHMENT "A"

Lisbon Valley Mining Co. LLC  
by: Summo USA Corporation - Manager Lisbon Valley Copper Project  
Operator Mine Name  
M/037/088 San Juan County, Utah  
Permit Number

**The legal description of lands to be disturbed is:**

As amended to include approximately 2.3 acres from exploration drilling within:

Township 30 South, Range 25 East  
N1/2 of Section 36 (State Trust Land - Mineral Lease  
#20569)

As described in the March 14, 2000 "Attachment 1" map.

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OIL, GAS AND MINING

**ATTACHMENT B**

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DIVISION OF  
OIL, GAS AND MINING

**SURETY BOND RIDER**

To be attached to Bond Number ~~XXXXXXXXXXXX~~

United States Fidelity and Guaranty Company

(as Surety)

In the amount of Sixty Nine Thousand Nine Hundred Dollars and No/100-----  
(\$69,900.00)

Effective the 2nd day of July 1997

ON BEHALF OF Lisbon Valley Mining Company LLC

IN FAVOR OF State of Utah, Division of Oil, Gas and Mining, and The U.S.  
Department of the Interior - BLM and the School and Institutional  
Trust Lands Administration

In consideration of the premium charged for the attached bond, it  
is mutually understood and agreed by the Principal and the Surety  
that the amount shall be modified to read as follows:

The above said bond amount shall be increased/~~decreased~~ from the  
above to: Seventy Seven Thousand Sixty Six Dollars and No/100 (\$77,066.00),  
A difference of Seven Thousand One Hundred Sixty Six Dollars and No/100 (\$7,166.00),  
and in connection with the Lisbon Valley Project - 1999 Summer Exploration  
Program, and Number M/037/088.

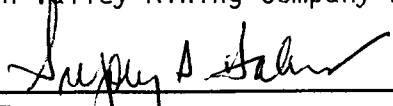
All other items, limitations and conditions of said bond except  
as herein expressly modified shall remain unchanged.

This rider shall be effective as of the 15th day of Sept. 1999

Signed, sealed and dated this 15th day of Sept. 1999.

SEAL

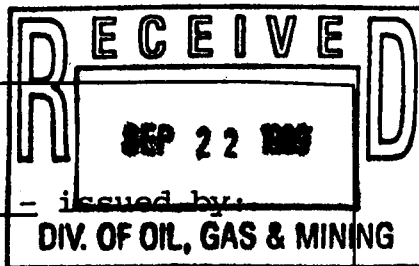
Summo USA Corporation, Manager of  
Lisbon Valley Mining Company LLC

  
BY: Gregory A. Hahn, President

SEAL

UNITED STATES FIDELITY AND GUARANTY COMPANY

  
Vivienne Douglas Attorney-in-Fact



# United States Fidelity and Guaranty Company

Power of Attorney

No. 110405



Know all men by these presents: That **United States Fidelity and Guaranty Company**, a corporation organized and existing under the laws of the State of Maryland and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint **Gary E. Smith, Ray A. Leonard, Vivienne Douglas and Connie S. Kerr**

of the City of **Denver**, State of **Colorado** its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said **United States Fidelity and Guaranty Company**, has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice President and Assistant Secretary, this 13th day of June, A.D. 1997.



**United States Fidelity and Guaranty Company.**

(Signed) By [Signature] Vice President

(Signed) By [Signature] Assistant Secretary

State of Maryland )

SS:

Baltimore City )

On this 13th day of June, A.D. 1997, before me personally came Gary A. Wilson, Vice President of **United States Fidelity and Guaranty Company**, and Thomas E. Huibregtse, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said Gary A. Wilson and Thomas E. Huibregtse were respectively the Vice President and the Assistant Secretary of the said **United States Fidelity and Guaranty Company**, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice President and Assistant Secretary, respectively, of the Company.

My Commission expires the 1st day of August, A.D. 1998.



(Signed) By [Signature] Notary Public

This Power of Attorney is granted under and by authority of the following Resolutions adopted by the Board of Directors of the **United States Fidelity and Guaranty Company** on September 24, 1992:

**Resolved**, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or an Executive Vice President, or a Senior Vice President, or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached.

**Resolved**, That Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Thomas E. Huibregtse, an Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing are true excerpts from the Resolutions of the said Company as adopted by its Board of Directors on September 24, 1992 and that these Resolutions are in full force and effect.

I, the undersigned Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

In Testimony Whereof, I have hereunto set my hand and the seal of the **United States Fidelity and Guaranty Company**, on this 15th day of September, 1999



[Signature]  
Assistant Secretary



SURETY BOND RIDER

To be attached to Bond Number \_\_\_\_\_ - issued by:

United States Fidelity and Guaranty Company

(as Surety)

In the amount of SEVENTY SEVEN THOUSAND SIXTY SIX DOLLARS AND 00/100  
(\$77,066.00)

Effective the 2ND day of JULY 1997

ON BEHALF OF LISBON VALLEY MINING COMPANY LLC

IN FAVOR OF STATE OF UTAH, DIVISION OF OIL, GAS AND MINING, AND THE U.S.  
DEPARTMENT OF THE INTERIOR - BLM AND THE SCHOOL AND INSTITUTIONAL  
TRUST LANDS ADMINISTRATION

In consideration of the premium charged for the attached bond, it  
is mutually understood and agreed by the Principal and the Surety  
that the amount shall be modified to read as follows:

The above said bond amount shall be increased/decreased from the  
above to: NINETY SEVEN THOUSAND SIXTY SIX DOLLARS AND 00/100 (\$97,066.00)  
A DIFFERENCE OF TWENTY THOUSAND DOLLARS AND 00/100 (\$20,000.00)

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DIVISION OF  
OIL, GAS AND MINING

All other items, limitations and conditions of said bond except  
as herein expressly modified shall remain unchanged.

This rider shall be effective as of the 28TH day of MARCH ~~19~~2000

Signed, sealed and dated this 28TH day of MARCH ~~19~~2000

SEAL

LISBON VALLEY MINING COMPANY LLC

BY: GREGORY A. HAHN, PRESIDENT

SEAL

UNITED STATES FIDELITY AND GUARANTY COMPANY

VIVIENNE DOUGLAS, Attorney-in-Fact

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1586288

## United States Fidelity and Guaranty Company

Power of Attorney

No. 110405

APR 04 2000

DIVISION OF  
OIL, GAS AND MINING

Know all men by these presents: That **United States Fidelity and Guaranty Company**, a corporation organized and existing under the laws of the State of Maryland and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint **Gary E. Smith, Ray A. Leonard, Vivienne Douglas and Connie S. Kerr**

of the City of **Denver**, State of **Colorado** its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said **United States Fidelity and Guaranty Company**, has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice President and Assistant Secretary, this **13th** day of **June**, A.D. 19**97**.



United States Fidelity and Guaranty Company.

(Signed) By *Gary E. Smith*  
Vice President

(Signed) By *Thomas E. Huibregtse*  
Assistant Secretary

State of Maryland )

Baltimore City )

SS:

On this **13th** day of **June**, A.D. 19**97**, before me personally came Gary A. Wilson, Vice President of **United States Fidelity and Guaranty Company**, and Thomas E. Huibregtse, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said Gary A. Wilson and Thomas E. Huibregtse were respectively the Vice President and the Assistant Secretary of the said **United States Fidelity and Guaranty Company**, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice President and Assistant Secretary, respectively, of the Company.

My Commission expires the **1st** day of **August**, A.D. 19**98**.



(Signed) By *Thomas E. Huibregtse*  
Notary Public

This Power of Attorney is granted under and by authority of the following Resolutions adopted by the Board of Directors of the **United States Fidelity and Guaranty Company** on September 24, 1992:

**Resolved**, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or an Executive Vice President, or a Senior Vice President, or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached.

**Resolved**, That Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

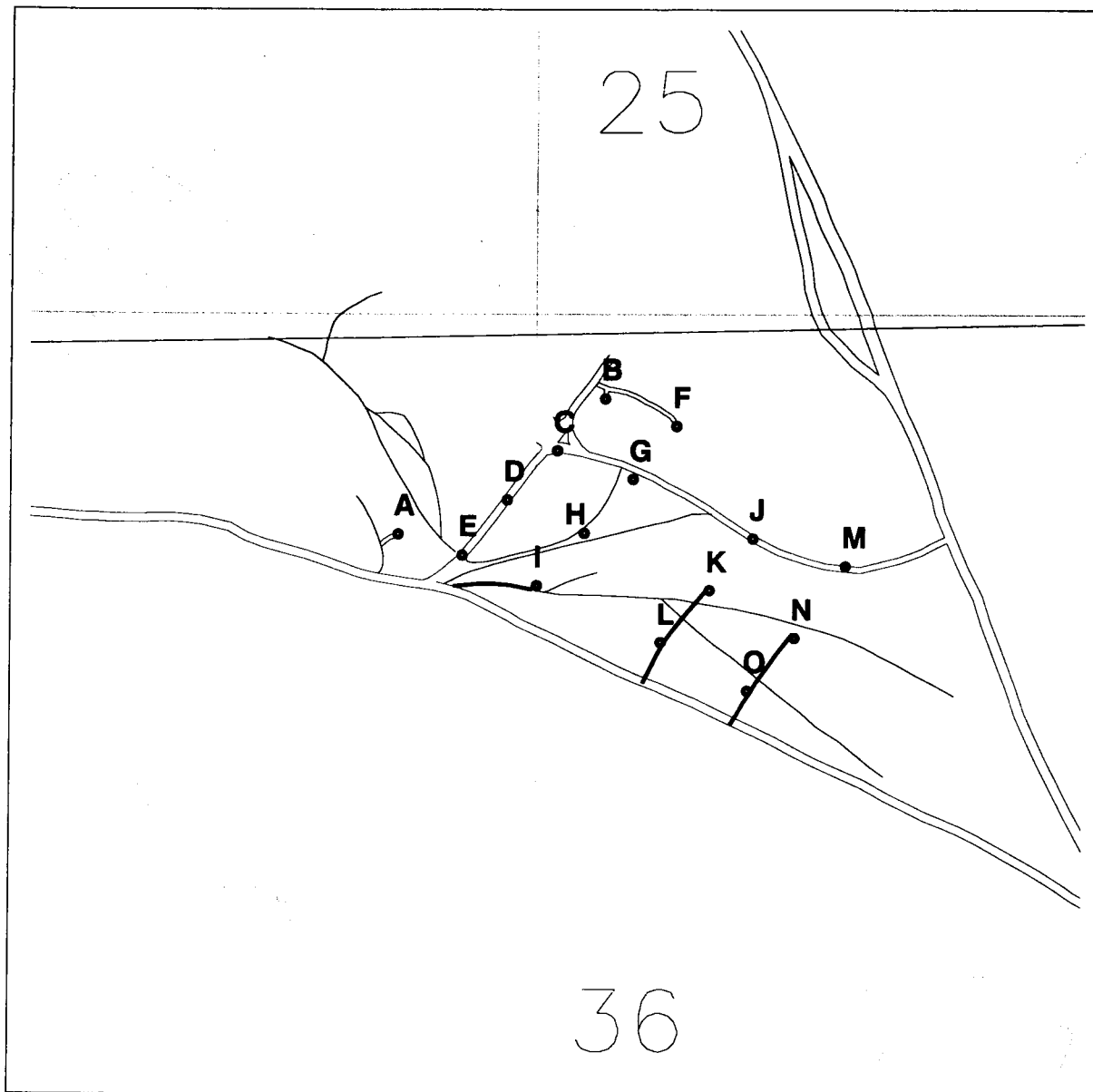
I, Thomas E. Huibregtse, an Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing are true excerpts from the Resolutions of the said Company as adopted by its Board of Directors on September 24, 1992 and that these Resolutions are in full force and effect.

I, the undersigned Assistant Secretary of the **United States Fidelity and Guaranty Company**, do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

In Testimony Whereof, I have hereunto set my hand and the seal of the **United States Fidelity and Guaranty Company**, on this **28TH** day of **MARCH**, **XX** 2000



*Thomas E. Huibregtse*  
Assistant Secretary



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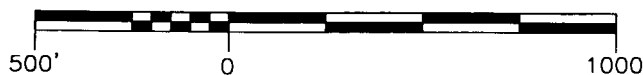
DIVISION OF  
OIL, GAS AND MINES



**LEGEND**

- Existing Trail
- Existing Road
- Proposed Brush Clearing = Overland Travel
- Proposed Trail Construction
- Proposed Drill Hole

SCALE IN FEET



GOCHNOUR & ASSOCIATES, INC.

**Lisbon Valley Project**  
Winter (January/February) 2000  
**Exploration Project**

SCALE: 1"=500'